Supreme Court, U.S.
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No. 93-1594

IN THE

Supreme Court of the United States

OCTOBER TERM, 1993

GOLDEN VALLEY MICROWAVE FOODS, INC.,
Petitioner,

v.

WEAVER POPCORN COMPANY, INC., and AMERICAN PACKAGING CORPORATION,
Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITIONER'S REPLY BRIEF

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Respondents' brief in opposition correctly states the case for grant of certiorari as being founded on two premises: first, that fundamental errors are plain from the face of the district court's opinion; second, that the plain errors must have been erroneously ignored by the Federal Circuit as being harmless. If these premises are correct, the Federal Circuit's standard of review usurped the exercise of discretion that properly belongs to the trial judge in square contradiction of this Court's holding in *Platt v. Minnesota Mining & Mfg. Co.*, 376 U.S. 240 (1964).

As to the first premise, the most notable aspect of respondents' submission is their inability to answer the charges of plain error. In several instances they have not even tried to answer, abandoning the court in favor of an argument that affirmance was justified if any one finding were correct. (p. 11). This cannot be, of course, because the court's exercise of discretion, its findings of materiality, and its inference of intent to deceive were tainted by its errors, just as Judge Platt's discretion was tainted by his error.

First and all permeating was the district court's plain error of law in failing to construe the meaning of critical terms used to define the patented invention. (Pet., pp. 5-6). Although the controlling functional definition of *flexible* laminates is set out in the patents themselves, *viz.*, laminates characterized by being processible on conventional equipment used for packaging bags and like structures (App. J), respondents cannot show where the district court even acknowledged existence of this functional definition that was

a cornerstone of petitioner's case.[1] Significantly, respondents have not even attempted to address or justify the district court's disregard of the requirement that the heat-generating susceptor be made of a thermally "unstable plastic film." (Pet., pp. 6-7).

Moreover, respondents cannot point to any passage in which the district court articulated the relative pertinence of the prior art patents and other information which Golden Valley furnished to the patent examiner, measured against the perceived pertinence of the "withheld" information in light of the properly construed invention.[2] Without such comparison, the issues of materiality and intent to deceive cannot properly be assessed. (Pet., p. 7).

Respondents attempt to denigrate Golden Valley's disclosures to the patent examiner as merely providing "a copy of *one* of the prior art references" (p. 16) is not based on fact. *Eight* references set out in respondents' Appendix O (Brastad '420, Brastad '924, Bohrer, Wyandot, Totinos,

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[1]Instead, respondents refer the Court to A52-54 (p. 15), where the district court was discussing test data, not construing patent claims. They also refer to the patents' listing of *flexible* materials such as paper, stiff paper, and paperboard (pp. 13-14), but their reasoning that these materials expressly stated to be *flexible* are *not flexible* is circular. Whatever the material is called, the defining criteria ignored by the district court is that the material must be processible on conventional flexible packaging equipment. (App. J).

[2]The passage at A71-76 erroneously characterizes the invention as merely a "susceptor-to-paper laminate concept" (A75), wholly and erroneously ignoring the elements of the invention as defined by the patent claims.

Qwik Crisp, Winters, and Seiferth) as well as other references were disclosed to the patent examiner, as is plain from the face of petitioner's Appendices F and G.

Further, respondents do not contest or attempt to justify a third plain and fundamental error of law which lies in the district court's erroneous belief that Golden Valley had an obligation to call the patent examiner's attention to particular passages in the documents it provided. (Pet. p. 7).

With respect to other plain errors (Pet., pp. 7-8), respondents admit that the Japanese patent and the abandoned '723 application were not prior art, but mistakenly deny that the district court considered them to be prior art. (p. 16). That the district court did erroneously consider the Japanese patent to be prior art is plain from the fact that it was included under the opinion's heading: "Nondisclosure of Prior Art" wherein the district court listed it among uncited prior art references found to have been deliberately withheld. (A32, 36). Neither do respondents attempt to explain why, if the district court did not believe the abandoned '723 application was prior art, it categorized a Golden Valley declaration as fraudulent because it did not identify that application as "prior art." (A69-70).

It is particularly revealing that respondents have not addressed, justified, or attempted to explain the district court's clearly erroneous finding that Golden Valley comparative tests were unfairly biased because they compared machine-made bags with handmade bags. (Pet., p. 8).

Thus, the first premise for grant of this petition is correct. The district court made errors which were plain, fundamental, and unexplainable by respondents. The effect of the district court's errors on its assessment of the materiality of "withheld" information and on its inference of intent to deceive could have been no less than profound. As a result, the district court's exercise of its discretion in finding inequitable conduct was flawed. Whether the trial judge would have reached the same inferences as to deliberate concealment, fraudulent affidavits, and unlawful claiming (which respondents rely upon so heavily) absent his errors can only be answered by him on remand, just as this Court held in *Platt*.

The second premise for grant of certiorari is likewise met. Because the district court's errors (which even respondents cannot defend) are plain, they must have been recognized by the Federal Circuit. Review of this issue would be facilitated if there had been an opinion, of course, but the only rational conclusion that can be reached is that the court of appeals erroneously found the plain errors to be harmless in light of all of the factors considered by the district court. As pointed out in the petition (p. 11), this would be consistent with the Federal Circuit's erroneous standard of review set out in *PPG Industries, Inc. v. Celanese Polymer Specialties Co., Inc.*, 840 F.2d 1565, 1570-72 (Fed.Cir. 1988) and often cited by the Federal Circuit as enunciating its standard of review for abuse of discretion. *E.g., Datascope Corp. v. SMEC, Inc.*, 879 F.2d 820, 828 (Fed.Cir. 1989).

The Federal Circuit's fault in applying the *PPG Industries* standard of review lies in the fact that the standard deprives the district court of its duty to exercise its discretion anew, free of its original errors. Under this Court's holding in *Platt*, a court of appeals may not usurp that exercise which properly lies with the trial court. Moreover, *Platt* squarely contradicts respondents' contention (and the Federal Circuit's implied decision) that any one of the instances of "withholding" found by the district court could justify affirmance of the district court's exercise of discretion even though that exercise was based on factors plainly erroneous.

This petition is neither esoteric, nor bizarre, as respondents charge. Rather, it raises fundamental issues with respect to the Federal Circuit's failure to follow this Court's precedent on how to apply the standard of review for abuse of discretion and therefore should be granted.

Respectfully submitted,

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